

Chapleau Economic Development Workshop

Key Economic Priorities for the Next 3 Years!

Executive Summary

A modified strategic planning session was held in Chapleau on July 6, 2019. The session was modified as only a small group of people were available to participate. Some of the key observations to note:

- The group did not want to be myopic focusing all of the economic development resources towards the Borden Lake Project.
- We generated a potential Vision Statement trying to capture the values of the participants combined with language about what we hope for Chapleau's future.
- We also completed a 3-year Work Plan under the CIINO funding requirements:

I have provided a summary so that council can make further contributions to what is presented here. With more input the outcome would be enhanced due to more information and perspective.

Finally, there were some issues of concern raised that may not fall directly under the definition of pure economic development, perhaps Community or Community Economic and Social Development. Some of these issues are found in the section of Barriers to Success.

- Lack Community support and Engagement
- Cooperation among business and tourism operations
- Government restrictions of activities on the land
- Having one vision for the community
- Lack of coordination among community agencies
- Community commitment to local businesses
- Resentment to the advantage given to the First Nations for jobs and business opportunities

It was generally agreed that Chapleau experienced most if not all of these barriers. While not directly in the scope of economic development, failing to address these issues will likely inhibit Chapleau's success regardless of how great the strategies or projects we create. On the bright side, these issues are internal and can be addressed.

Introduction

My name is Dan Friyia, and I was the facilitator for your session. Currently I am the Executive Director of the CDC in Sault Ste. Marie and previously I was the General Manager of the SECFDC in Wawa. My style of Community Planning is fairly straightforward. Simply put:

1. Where we are now?
2. Where we want to go?
3. How will we get there?

I like to follow a “Place Based” approach to CED meaning we will use the assets in our community/region as our foundation for strategies and projects. Our goal for this session was to develop 5 projects to be implemented over the next 3 years.

Who Moved My Cheese?

This is a title from a small book I read some time ago concerning change. Change impacts industries, communities, the environment and people. How we handle change greatly determines our success. Normally this exercise is relevant when something bad happens in a community. In our case the situation is just the opposite, we have a new gold mine coming on stream which is an opportunity for job creation, business development and population growth.

Our Agenda

The agenda was originally planned over two days. As we were a small group, we were able to conduct a short version of the workshop over a single day.

Morning Session

- Establish a context of where the community is at currently
- Create a Baseline assumption should things play out as anticipated
- Create a Preferred Future (Vision Statement) – creating the future
- Developing an Asset Map – What we have to work with
- Considering some Barriers and Trends – these may reveal projects

Afternoon Session

- Reflection on our potential to impact the future
- Project Development – we will look at the options provided from various reports or generate new ones
- We will create and describe 5 projects to implement going forward
- Next Steps – my summary report based on the sessions input

The Scope

Chelsea and I initially set the scope of this session on Community **Economic** Development (CED). There are more holistic versions of Community Planning such as Community Development or even Community Economic and Social Development.

After some discussion, the scope was limited to Community Economic Development. I note however that a number of non-economic issues arose that council should consider addressing outside of the mandate of pure economic development.

Opening Advice

There is no magic bullet in CED – mostly common sense and good execution. Chapleau has an extensive history of success and leadership in the field of CED. Some examples I can think of include:

- The Nature Festival
- Local Training Board
- Game Preserve Promotion
- Cell Phone Project

My impression of Chapleau (from the outside) was always as a community that was very innovative, strategic and collaborative as they approached CED.

Context – Where we are now

To prepare for this process, I have reviewed a number of documents concerning the community of Chapleau:

- Strategic Plan Community Profiles
- Demographics
- Economic Profile
- The Goldcorp Mining Study
- Key Sectors report for Transportation and Forestry

Things look pretty good though there are some challenges to be addressed if the community wishes to fully capitalize on their opportunities.

Sector Analysis

Chapleau can be described as a resource town with anchor industries which include:

- Forestry
- Transportation
- Mining (new)
- Tourism
- Electricity production
- Government (education, health, municipal, ministries)
- Retail

The economy of Chapleau is well diversified. At this point the economy seems stable with good household incomes. The introduction of the Mining project adds an opportunity to move in a positive direction. There is cyclicity in most of these sectors, but to some degree they aren't synchronized and could be considered a balanced portfolio.

The Borden Lake Project is another cyclical industry with a stated limited life of 7-10 years. Even if there are only 7 years in the project, this is a great chance to further develop and diversify the local economy.

More Key Stats

- Between 1960 and 2013 the population fell from 3,800 to 2,085 people.
- Between the years 2007 and 2013:
 - Total Income - **down**
 - Employment Income - **down**
 - Pension Income - **up**
 - Self Employment Income - **down**
 - Labour force - **down (1,450 - 1,165)**
 - Ratio of Jobs to people was **4-5:1**
 - Municipal revenues have risen, but are insufficient for addressing big issues such as the community's infrastructure deficit.

The historical picture painted here is a general decline in Chapleau. There are many critical issues that arise from these observations:

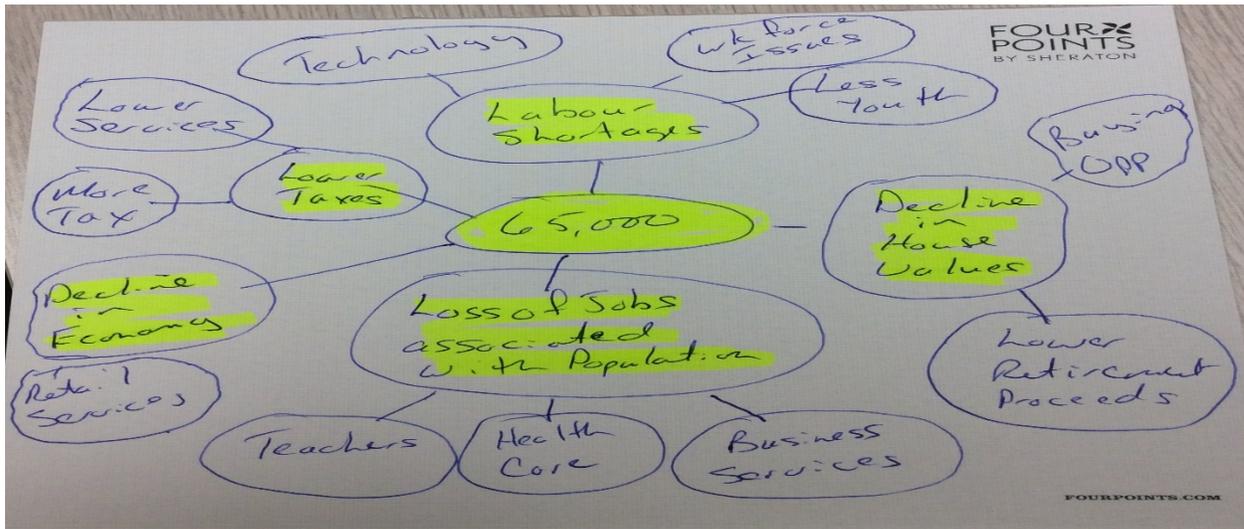
- Lack of a critical mass for a number of retail or professional enterprises
- Labour market challenges in terms of numbers and skill sets
- Total employment income in decline which restricts aggregate discretionary spending
- Challenge for municipality to maintain services or invest in needed infrastructure
- Services based on population numbers could be in jeopardy

The group was asked; is there anything they disagreed with or that should be added to the list. Generally, it was agreed that an accurate picture of the local economy was presented.

Base Line Future

Presented on image below is what is known as a Futures Wheel. It is a tool used to create a plausible version of the future for a given community. It isn't perfect as no one can predict the future, but we can have a pretty good idea of where we're going should we let events run their course without intervention.

This is the beginning of us starting to influence the future, or bending it to our Preferred Future. Our source of power comes from our citizens, local organizations, partners, stakeholders, resources and actions.



The event shown above was a Ministry of Revenue prediction of the population of Sault Ste. Marie some 10-15 years into the future. As you can see, they are projected a population decline of about 10,000 people. I've shown the First and Second order impacts resulting from the **central event** which was a drop in projected population. My first order impacts were to:

- Declining House values
- Labour Shortages
- Lower Municipal Taxes
- Declining Local Economy
- Loss of Jobs associated with population thresholds

Then I looked what the second order impacts would be the result of the First Order impacts. You see a city getting smaller with a growing number of challenges on a number of fronts. This was the baseline working assumption used when we did our CDC business plan. The next steps in using this baseline tool is to address the issues to best of our ability and capacity.

Chapleau Future a Prediction

In our case the Main Event is the Borden Lake Project

- 7-10 years projected life
- Opportunity to increase in jobs locally
- Local business opportunities
- Generally, a positive impact on the community
- Relative stability in the other economic sectors

I suggested some themes for the First Order Impacts using the STEEP method. This is pretty academic and may not suit our needs.

- **Social** – demands on health care, policing, services, education, housing
- **Technical** – new technology, training, production scale or efficiency
- **Economic** – jobs, business opportunities, expansions
- **Environmental** – Traditional land, lakes, rivers, closure plans
- **Political (municipal)** – demands for investment, partnerships with industry

Alternative themes could be:

- Workforce – do we match up adequately? Do we have adequate labour force?
- Business – what will be the impact on local business? New opportunities?
- Social – What will be the demands on housing, health, education etc.?
- Local Government – Taxes, investment, services, relations with First Nations?
- Others?

We gave it a try. The completed exercise provided a baseline prediction of where we felt Chapleau was going if there were no interventions. Depending on the participants, a variety of Futures could be created. Ideally, the issues here could lead to projects that address the negatives and capitalize on the opportunities.

Workforce Development

- The mine will look after itself in terms of labour recruitment
- There is not much slack in the local labour market for those willing to work
- There should be some positive impact on local employment
- There will not be a huge employment opportunity for local citizens, perhaps First Nation citizens through Impact Benefit Agreements
- There will be competition locally for skilled labour with potential poaching of trades people
- Maybe some potential for local training courses

Economic Impacts

- Should be some improvement for some local service providers and retailers
- Hotels and restaurants will benefit - at least to the point of their capacity which limits growth potential without further investment
- Some increase in local repairs shops
- We don't expect large investments in Chapleau as a result of the mine
- Some services will be purchased from Timmins
- Potential partnerships with First Nation through joint entities, revenue sharing (some progress being made already)

Social Impacts

- Hopefully there will be contributions to local clubs, events and recreation
- We expect a modest increase in families estimated at maximum 40, or 120-160 population increase.
- Potentially some new housing for Chapleau as well as renovations for upgrades and rentals
- Should be some housing turnover
- Continued outmigration of youth
- Impact on education will be modest due to local underutilized capacity
- Seniors will continue to move in search of better services and with families

Local Government

- There will be some revenue opportunities for the municipality
- Their financial position suggests caution towards investments associated with the Borden Lake project
- Tax revenues and user fees will likely increase modestly
- Tax arrears should be caught up

Chapleau Futures Summary

From our projections of the Borden Lake project, we do not see a “**Boom**” coming to Chapleau. As was stated in your Mining Study, “communities should temper their expectations concerning the establishments of new gold mines.”

The economic impact on the community will be positive overall and our economic base will become more diversified. There will be some employment opportunities created in the community as well as in neighboring First Nation communities.

The feeling was that Chapleau should work closely on this project seeking opportunities, but not become myopic in terms of their economic strategy. Chapleau has a diverse economic portfolio and the economic development strategies should be reflective of this reality.

Community Vision – Where we want to go

There are numerous potential futures for Chapleau, but here is where we commence creating our Preferred Future. In this exercise I wanted to know what the participants value about the community, what they would like to change and finally, what will the community be like when we’ve achieved our Preferred Future. This was done with 3 questions.

1. What are we passionate about? If you were trying to convince me to move to Chapleau, what are the best attributes or selling for the community?

- Access to Nature
- Relatively clean environment
- Good Health Care
- Fishing and Hunting are excellent
- Good Schools
- Friendly environment
- Safe environment
- Family environment
- Low cost of living
- Cultural diversity

These are the things you want to keep! What we can build on.

2. What are some of the things you'd like to change about the community? Things that might discourage me from moving here?

- Downtown core is unattractive
- Dilapidated buildings are ugly
- Poor signage – not welcoming
- Youth are not engaged in community events or activities
- Business Community is not very diverse or unique
- We need more amenities for tourists and Recreational Vehicles
- We don't celebrate our local cultural diversities and talents
- No common vision for the community

These items could be the source of community projects.

3. Flip your concerns. What would the community be like when these things have changed?

- Our downtown will be fresh and attractive to visitors and residents
- We will have a sense of pride on our community
- The variety of businesses in the downtown will be attractive to shoppers and tourists
- People will be more engaged in local politics, social clubs, recreation and volunteerism
- There will be more local festivals to celebrate the culture and talents in our community
- Chapleau will be a vibrant community to live, work, play and visit

Sample Vision Statement

Chapleau is a blessed community located in the heart of Canada's wilderness. Our natural surroundings have provided a high quality of life for our citizens for many years.

We continue to improve our community by celebrating our history and diverse culture while making strategic investments resulting in a place where all can actively participate and have their families benefit from residing in or being a guest of Chapleau.

Of course, this is subject to revision but I tried to capture the values you wanted to maintain in paragraph one, and then spirit of what you hope to achieve in the future.

Asset Mapping – What do we have to work with?

The next step in the planning process is to identify the assets in and around the community to assist with our economic strategies and projects. While not equally endowed, every community has some assets to build on. This method is “Place Based” Planning.

Step #4 – Asset Mapping

Financial Capital	Natural Resources	Infrastructure	Quality of Life	Business Environment	Human Resources
Private Investors Northern Credit Union Angel One Venture Capital Corporate Support	Rivers, streams and lakes Missinabi Provincial Park	Schools, medical facility, library Broadband –Cell phone	Low cost housing Convenient Shopping Community Centre	Business Supports for counselling or Professional Services Good economic base to build on	EDC Volunteers Strong Retiree community DSAB Contact North Sault College
Superior East CFDC – Loans Potential for First Nation partnerships	Minerals – base and precious	Snow mobile trails and volunteer club Potential 4 Season Arena	Clean environment Safe environment	Government as an economic driver – Hospital, School, MNR, Municipality	Superior East Staff for Project Development and Business Counselling Numerous service agencies
Rural Economic Development Programs NOHFC Rural Economic Development Fund FedNor Trillium/MTCU	Forests 4 Season Tourism Hiking trails Camping areas	Industrial Park with expansion possibility Algoma Ore Site Air port Curling Rink Provincial Parks	Safe friendly community Community Heritage and mixed culture Community spirit and activities	Local Business ownership Diversity of businesses Business great supporter of community causes	EDC with Professional Staff Mayor’s Group/Regional Partnerships Municipal Staff
Aboriginal Funding Sources	Wildlife Hunting, Fishing Viewing	Golf Course Water and Sewage – excess capacity/ Hydro power	Excellent Outdoor activities Very diverse recreation activities	Existing Tourism Businesses Large, diverse corporate presence (sector analysis)	Many skilled workers in the community Numerous volunteers and social clubs

Sometimes communities are surprised with the assets at their disposal and gain tremendous confidence their economic development prospects. Presented above is the Asset Map we created for Chapleau. My summary would be as follows:

- We have a very diverse asset base from which to do economic development
- We have access to finances but we will need partners and to be innovative
- We have an extraordinary outdoor life that tourists love which can provide an increased economic base
- We have significant amenities and infrastructure
- We have an existing business and industrial community with which we can work.
- We have quality people in Chapleau how have proven their ability do Community Development
- Our First Nations neighbours represent a great source of culture and business opportunities. They contribute significantly to our local economy

It should be noted that this map was created by only four people. I believe that it could be greatly enhanced with further input. That being said, Chapleau has a lot of assets to work with in their economic development efforts.

Generally, the group felt pretty good about the Asset Map at their disposal. Some shortcomings that came out at this point were a lack of local coordination, leadership and cohesion. It was felt that the community needed to address the local negativity and to better incorporate Youth in the community discourse.

Barriers

This portion of the process was to identify the perceived barriers to success for Chapleau. It is important to note that some of these barriers are internal and can be influenced by our own efforts. Some of these barriers come from external sources and cannot be influenced such as regulations around Sustainable Forest Management. The policies around Impact Benefit Agreements are also external, but we may have some ability to influence the outcome for local benefit. Barriers I've seen fall under broad categories such as:

- Skills/Labour Shortages
- Generally deteriorating demographic profile
- Local Politics
- Lack of funds for projects and for Economic Development
- Loss of youth
- Lack community support and engagement
- Lack of new entrepreneurs – attraction and youth lack of interest
- Low cooperation among business and tourism operations
- Government restrictions of activities on the land
- Having one vision for the community
- Lack of coordination among community agencies
- Community commitment to local businesses
- Resentment to the advantage given to the First Nations for jobs and business opportunities

It was generally agreed that Chapleau experienced most if not all of these barriers. While not all the issues are directly in the scope of economic development, failing to address them will inhibit Chapleau's success regardless of how great the strategies or projects we create.

Most of these issues fall under the theme of Social Cohesion. Put another way, how well we work together as a community. **Logically, communities with high levels of Social Cohesion are the most successful.**

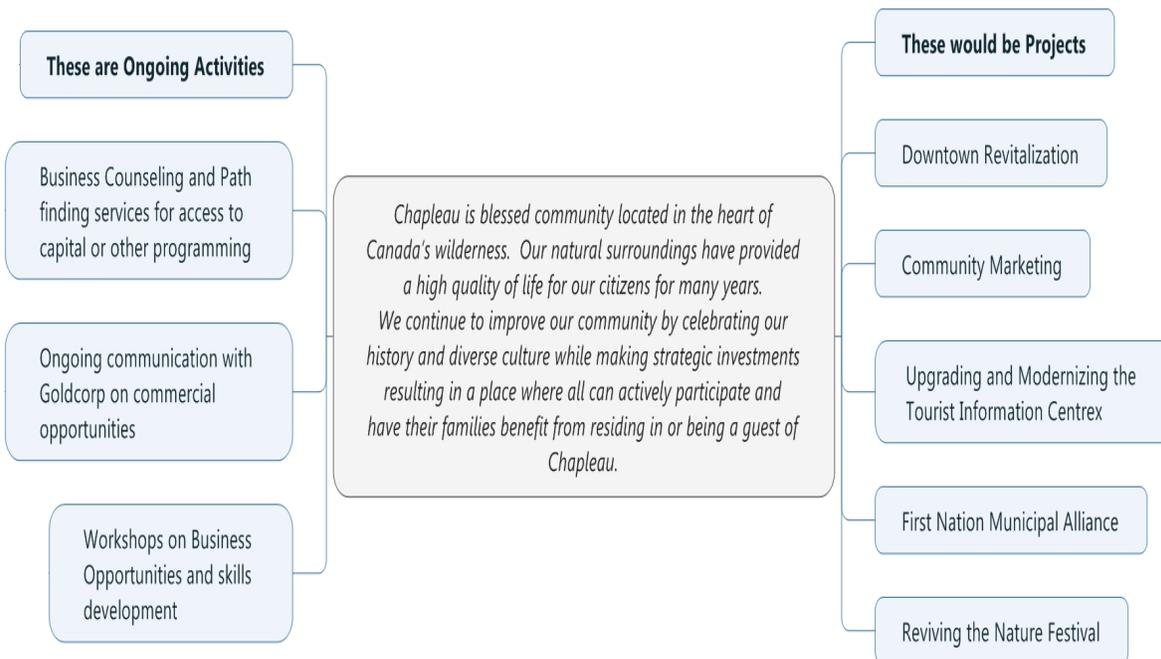
Opportunities

At this point we identified things that may be opportunities for the community to keep in mind. These may be local or global trends. These are things to be aware of and they may also form the basis for projects for our Work Plan. Here are some of the opportunities identified by the group.

- **Demographics** – Changes in demand for products and services. Different expectations of older travelers, safety, quality, interests
- **Accommodation Tax** - To support tourism marketing many communities are employing this tool to access seed capital to leverage larger funding sources
- **Prominence of First Nations** - Further promote partnerships with First Nations for tourism or other business ventures
- **Tourism trends** - Non-Consumptive Tourism – Experiential Tourism – Culture Based – Aboriginal Tourism - Women travelers
- **Community Safety and Wellness** - While perhaps out of scope, to be successful Chapleau needs to be a healthy community that solves important social and health issues before it can achieve its full potential.

Afternoon Sessions - Projects

At this point, we were ready to suggest projects for our 3-year CIINO Work Plan. We did not address all of the issues identified, but hopefully we addressed some where we can have the most impact.



The chart above summarizes the projects were selected through our discussions. It also shows on number of activities that the EDO will be undertaking on a concurrent basis to support Business Development in the community. Project activities will be undertaken by the EDO, municipal staff and with the assistance of committees with relevant stakeholders when and where required.

Project Generation

As we discussed project ideas, we tried to ensure that we addressed some key issue or opportunity that was raised in our earlier discussions. It was intended that later in the process when we evaluated our projects, we would consider some of the criteria suggested below:

- We have or can obtain the resources to complete the project
- Creates Jobs/economic activity
- Addresses an important GAP, challenge or opportunity
- Has potential partners to assist with implementation
- Moves us towards our Preferred Future

There were many sources of projects that could have been considered either from the mining study, input from local merchants, the EDC Strategic Plan. While we were a small group, we managed to generate 5 ideas, for consideration. In our creation of the projects we tried to draft what are known as Project Charters. These are short project descriptions that describe what issue the project is addressing and some insights as to how the project might be implemented. This method provides a bit of direction to the Economic Development Officer or Committee as to how they might approach the project.

Project Title	Downtown Revitalization
Issue Addressed	Improve appearance of downtown, increase business vibrancy and community pride
Project Description	There are a number of physical improvements proposed for the downtown including underground hydro, paving, open spaces, various amenities, support for new business development.
Resources Needed	At this point- financial - \$4million
Potential Partners	NOHFC, FedNor, Corporate Support, Municipal Affairs – SECFDC for Entrepreneurial supports
Anticipated Steps for Implement	Design work is complete Search for capital Promote investment
Metrics for Success	Completion of the project 2021 3-5 new business located in the downtown Community satisfaction survey

Project Title	Community Marketing Campaign
Issue Addressed	Two-fold strategy to increase tourism to the area and secondly to promote jobs and quality of life to people considering moving to Chapleau
Project Description	
Resources Needed	<p>Key resources are financial and information</p> <p>Marketing Plan that includes appropriate media selection, messaging and budgeting</p> <p>Accommodation tax to provide Seed Capital for tourism marketing tactics</p> <p>Upgrade research on current tourism trends the match up with Chapleau`s Asset Map</p> <p>Creation of family-oriented messaging</p>
Potential Partners	<p>Tourism Northern Ontario</p> <p>AKTA</p> <p>FedNor</p> <p>NOHFC</p> <p>Local Accommodation providers</p> <p>Neighboring First Nation Communities</p>
Anticipated Steps for Implement	<p>Pass a Bylaw for Accommodation Tax</p> <p>Secure financing for marketing research, planning and implementation</p> <p>RFP for designing of marketing plan and materials</p> <p>Council by-law for Accommodation tax</p>
Metrics for Success	<p>Completion within two years</p> <p>Measure increased in accommodation rates, employment, sales survey of local business</p>

Project Title	Modernization of Tourist Information Centre
Issue Addressed	Rehabilitate modernize a significant cultural and historical icon in our community – key tourism attraction/amenity
Project Description	Rehabilitation of the main building, restoration of the train, as well as the modernization of the displays in the centre
Resources Needed	Financial resources are estimated to be \$750,000 New Displays and programming This may need a sub committee of area historians and First Nation members to create a product that captures a display of our diverse culture and history
Potential Partners	Area First Nations -Elders, EDOs Municipality Historians – local FedNor NOHFC Trillium
Anticipated Steps for Implement	Creation of a Sub-committee Develop estimates for the basic work under consideration
Metrics for Success	Completion date between 2021 and 2023 Increase visitations to 2,000 annually Sales of merchandise in the facility to assist with operating costs

Project Title	Restore the Nature Festival
Issue Addressed	Community engagement, celebration and pride, additional product to attract tourism Encourage development of a local arts and cultural economy
Project Description	To restore the Nature Festival on a more sustainable footing focusing more on local talent in music, art, food, crafts, cultural diversity
Resources Needed	Best Practises – Wawa Music Festival, budget, marketing, talent attraction Seed Capital - \$ see above was started pretty modestly Diverse sub-committee to plan and organize the event Local support from arts and culture community to participate
Potential Partners	Local Arts community Municipality Area First Nations FedNor NOHFC Trillium Corporate Partners
Anticipated Steps for Implement	Creation of a Sub committee Contact other communities such as Wawa for best Practises Project plan with a budget to be created including programming, budgets, marketing, talent organization
Metrics for Success	Hold the event in 2021 Multi-cultural event and participation Festival covers costs and becomes self sustaining over time Community Participation as well as visitor attraction Potentially new businesses created

Project Title	First Nation, Municipal Alliance Stronger Together https://fcm.ca/en/resources/cedi/stronger-together-toolkit
Issue Addressed	Enhances the chances of communities maximizing the benefits not only of the new gold development, but also new collaborations in tourism, forestry etc.
Project Description	<p>Opens a dialogue with our area First Nations to work collaboratively on CED for the benefit of our citizens. Leads to a Joint Economic Development activity to the benefit of all.</p> <ul style="list-style-type: none"> • We will have a stronger voice with industry and government • Potential access to additional funding • Create more local business opportunities and Jobs • Leverage our Human, Natural and Financial Resources • Build stronger relations between our communities
Resources Needed	<p>Best Practise examples and speakers Commitment of respective councils Financial resources to support the project</p> <ul style="list-style-type: none"> • Project Manager • Facilitator • Meeting expenses • Other
Potential Partners	Township of Chapleau, Chapleau Cree, Brunswick House First Nation, Chapleau Ojibwa CEDC of Chapleau - Superior East CFDC – MNRF – NOHFC – FedNor - Industry Partners
Anticipated Steps for Implement	<p>A First Nations- Municipal EcDev Partnership process can take as much as 18 months to conclude. The recommended steps appear below:</p> <p>Initial Connection – meet to build the relationship – commit to joint CED</p> <p>Visioning – create a common vision for both sides and agree on a relationship agreement</p> <p>Develop Joint CED Initiatives - create workplans and governance structures</p> <p>Act – commence the implementation of agreed projects</p>
Metrics for Success	<p>Number of projects started and completed</p> <p>Number of jobs created in the region for both partners</p> <p>Dollars invested from local people - Dollars leveraged from Governments</p> <p>Dollars leveraged from private industry</p>